

9 July 1982

MEMORANDUM FOR: Director of Central Intelligence  
FROM : National Intelligence Officer for Latin America  
SUBJECT : Central America--Overview and Update for NSPG Meeting of 13 July 1982

You have received background information items from [redacted] Duane Clarridge. Therefore, this is intended simply to highlight several trends. The final section (V) responds to your request that NIOs discuss the implications of the intelligence. Information sources are indicated in parentheses, where relevant.

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I. Cuban/Nicaraguan Actions in Central America

- Pattern of subversion, military buildup, covert intimidation, and propaganda continues against all target countries. (all sources)
- Cuban presence in Nicaragua may have increased by 2,000 to 8,000,

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[redacted]

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-- [redacted]

- Escalation of public threats against Honduras, New York Times, 7 July 1982 quotes "high Sandinista official" as threatening Honduras because of its help to El Salvador: "we will respond with the same level of action. . . ."

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[redacted]

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-- [redacted]

II. Country Sketches

El Salvador

- As predicted by CIA, guerrillas have rearmed, regrouped, and are stronger now than following the 28 March election.

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[redacted]

[redacted]

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-- Guerrillas held Perquin for three weeks, inflicted heavy casualties, [redacted] and will continue attrition strategy while building their forces for October 1982-January 1983 expansion of violence aimed at US aid cutoff in late January 1983 certification. (my judgment) 25X1

-- Government holding together; external aid remains critical and the lack of progress on the FY 1982 supplemental and the bruising battle over the end of July certification could have negative effects.

-- D'Aubisson and the far right are opposed by the army, labor unions (UPD/UCS), and the Christian Democrats, both in the effort to roll back the land reform and in the opening of a separate negotiating track with the guerrillas [redacted] 25X1

[redacted] 25X1

-- Cubans might well try to play covertly on far right opposition to US "interference" (e.g., support for land reform) in El Salvador and their illusions of a separate deal such as proposed by D'Aubisson. [redacted] 25X1

Guatemala

-- Rios Montt government still fragile; it has declared an offensive against the guerrillas following an amnesty period.

-- Guerrillas remain active at strength of 3,000-4,000; they have massacred Indian peasants in several places recently to prevent cooperation with government.

Honduras

-- Stable, democratic government; coopertion against communist subversion has increased but could be reversed if US military and economic aid not provided or if there is a perception that the US will negotiate an accommodation with the extreme left in the region.

[redacted] 25X1

-- Threats from guerrillas and from Nicaraguan forces have increased and will continue to grow.

Costa Rica

-- The democratic government is stable; economic problems remain great.

-- Cuban/Nicaraguan subversive efforts continue.

[redacted]

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III. Other International Support for the Extreme Left

[Redacted]

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PLO/Radical Arabs

-- [Redacted] PLO more visible in Nicaragua since Israeli invasion of Lebanon; PLO providing an estimate 30-50 pilots and airplane mechanics and "is also assisting the military in restoring the radar system left from the Somoza regime". [Redacted]

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-- Note visits of Cuban Foreign Minister and Nicaraguan leaders to Beirut in recent weeks.

-- [Redacted]

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France

-- Sandinista leader Ortega to visit as official guest, 12-14 July 1982.

-- [Redacted]

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-- This would be a large propaganda boost for the third anniversary.

Socialist International

[Redacted]

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[Redacted] the SI will send a committee to Nicaragua and will reexamine its views on Nicaragua/El Salvador at the fall 1982 Executive Bureau meeting.

IV. Negotiations

-- As expressed in the SNIE of June 1982, the Cuban/Nicaraguan/FMLN purposes remain the same: to use negotiations to weaken the target governments and prevent more assertive international counteraction.

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US-Nicaragua--No Progress [Redacted]

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-- August 1981, US proposals; Sept/Oct Sandinista anti-US rhetoric.

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[Redacted]

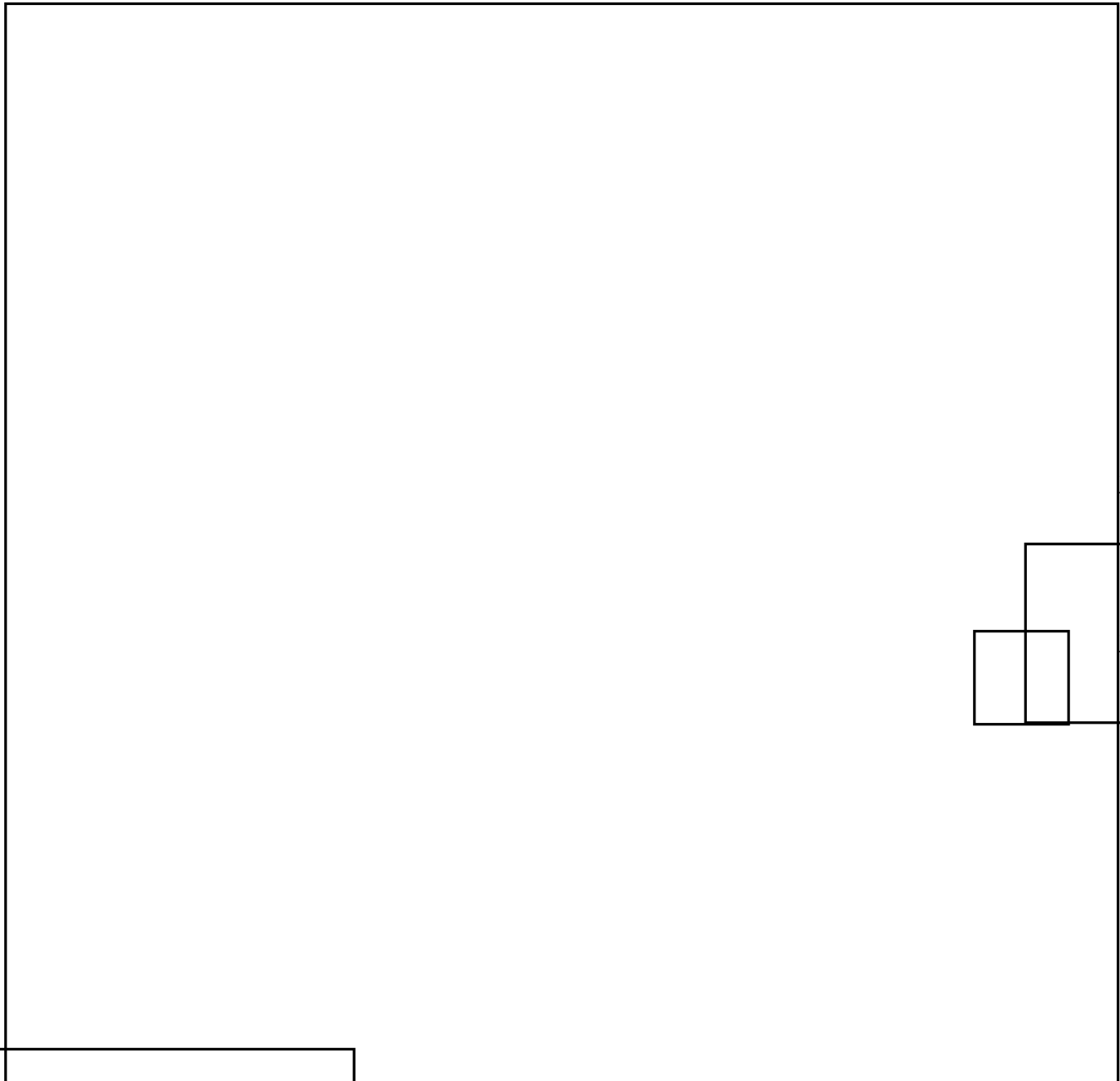
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- April 1982, US eight points.
- 19 February 1982, Nicaraguans "together with the Mexicans" propose El Salvador "peace plan".
- 7 May, Nicaragua responds to 8 April proposal by restating grievances and calling for an end to US "destabilization".
- 2 July, US responds to Nicaragua by indicating willingness to continue dialogue and also offers to provide personnel to help them locate the DRU headquarters and close it down (since Nicaragua indicated they don't know where the command and control center is operating from).

*(Handwritten mark)*

Nicaragua-Honduras - latest meeting on 9 July (naval commanders) no results; series of talks used by Nicaragua to threaten and/or persuade Honduras.

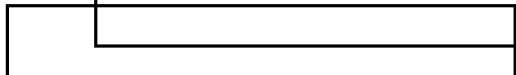
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